

103D CONGRESS  
1ST SESSION

# S. 1215

To increase the number of primary care providers in order to improve the nation's health care access and contain health care spending by the establishment of medical education reimbursement programs and other programs, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 13, 1993

Mrs. KASSEBAUM (for herself and Mr. SIMPSON) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To increase the number of primary care providers in order to improve the nation's health care access and contain health care spending by the establishment of medical education reimbursement programs and other programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Primary Medical Care Act of 1993”.

6 (b) **TABLE OF CONTENTS.**—The table of contents is  
7 as follows:

Sec. 1. Short title; table of contents.

## TITLE I—INCREASING THE NUMBER OF PRIMARY CARE PROVIDERS

Sec. 101. Findings.

Sec. 102. Graduate medical education payments.

Sec. 103. Approval of primary care and health care consortium programs for GME payments.

Sec. 104. Health professions funding for nurse practitioner and physician assistants programs.

Sec. 105. Primary care demonstration grants.

Sec. 106. Health workforce oversight.

## TITLE II—COMMUNITY HEALTH SERVICES EXPANSION

Sec. 201. Establishment of grant program.

Sec. 202. Program to provide for expansion of federally qualified health centers.

## TITLE III—EXPANDING THE SUPPLY OF HEALTH PROFESSIONALS IN RURAL AREAS

Sec. 301. Expansion of National Health Service Corps.

Sec. 302. Tax incentives for practice in rural areas.

## TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Effective date.

# 1 **TITLE I—INCREASING THE NUM-** 2 **BER OF PRIMARY CARE PRO-** 3 **VIDERS**

## 4 **SEC. 101. FINDINGS.**

5 Congress finds that—

6 (1) not less than 50 percent of all medical resi-  
7 dents should complete generalist training programs,  
8 and at least 50 percent of all physicians should be-  
9 come primary care providers;

10 (2) all primary care shortage areas should be  
11 eliminated, and disparities between the metropolitan  
12 and nonmetropolitan distribution of physicians  
13 should be reduced;

(3) the aggregate allopathic and osteopathic physician-to-population ratio should be maintained at 1993 levels;

(4) the total number of entry medical residency positions should be limited;

(5) the number of nurse practitioners and physician assistants should be increased; and

(6) community-based ambulatory training experiences for medical residents should be increased.

**SEC. 102. GRADUATE MEDICAL EDUCATION PAYMENTS.**

(a) IN GENERAL.—Subsection (h) of section 1886 of the Social Security Act (42 U.S.C. 1395ww(h)) is amended to read as follows:

“(h) GRADUATE MEDICAL EDUCATION PAYMENTS.—

“(1) NATIONAL HEALTH WORKFORCE EDUCATION FUND.—

“(A) ESTABLISHMENT.—The Secretary shall establish a National Health Workforce Education Fund (hereafter referred to in this subsection as the ‘Fund’) to make payments in accordance with this subsection.

“(B) ALLOCATIONS.—

“(i) IN GENERAL.—In providing for the Fund, the Secretary shall annually provide for an allocation of monies to the

1 Fund from the trust funds established  
2 under parts A and B as the Secretary de-  
3 termines reasonably reflects the amount of  
4 DME payments and IME payments pay-  
5 able under such funds during fiscal year  
6 1993.

7 “(ii) UPDATING TO THE FIRST COST  
8 REPORTING PERIOD.—The Secretary shall  
9 update the amount of funds allocated to  
10 the Fund under clause (i) by the percent-  
11 age increase in the consumer price index  
12 during the 12-month cost reporting period  
13 described in such clause.

14 “(iii) AMOUNT FOR SUBSEQUENT  
15 COST REPORTING PERIODS.—For each cost  
16 reporting period, the amount of funds allo-  
17 cated to the Fund shall be equal to the  
18 amount determined under this subpara-  
19 graph for the previous cost reporting pe-  
20 riod updated, through the midpoint of the  
21 period, by projecting the estimated per-  
22 centage change in the consumer price  
23 index during the 12-month period ending  
24 at that midpoint, with appropriate adjust-  
25 ments to reflect previous under- or over-es-



timations under this subparagraph in the projected percentage change in the consumer price index.

“(C) DIVISION OF FUND.—The Secretary shall annually divide the Fund into subfunds. One subfund shall be established for DME payments (hereafter referred to in this subsection as the ‘DME subfund’) and another subfund for IME payments (hereafter referred to in this subsection as the ‘IME subfund’). In determining the annual relative distribution of funds between the DME subfund and the IME subfund, the Secretary shall first consider the amount to be contained in the DME subfund. The IME subfund shall be equal to the amount of the Fund less the amount of the DME subfund.

“(D) DETERMINATION OF AMOUNT OF DME SUBFUND.—The Secretary shall annually determine the amount of the DME subfund. For the first cost reporting period, the DME subfund shall be equal to the amount of DME payments under parts A and B in 1993, updated by the percentage increase in the consumer price index during that 12-month cost

1 reporting period. For subsequent cost reporting  
2 periods, such subfund shall be the greater of—

3 “(i) the amount of DME payments  
4 made from the Fund during the previous  
5 cost reporting period updated, through the  
6 midpoint of the period, by projecting the  
7 estimated percentage change in the  
8 consumer price index during the 12-month  
9 period ending at that midpoint, with ap-  
10 propriate adjustments to reflect previous  
11 under- or over-estimations under this sub-  
12 paragraph in the projected percentage  
13 change in the consumer price index; or

14 “(ii) the projected amount of DME  
15 payments for such cost reporting period re-  
16 quired for all primary care residents and  
17 health care training consortia residents in  
18 programs approved by the Administrator  
19 of the Health Resources and Services Ad-  
20 ministration.

21 “(3) GUIDELINES FOR DISBURSEMENT OF  
22 GRADUATE MEDICAL EDUCATION FUNDS.—

23 “(A) DME PAYMENTS.—

24 “(i) AMOUNT OF PAYMENT PER FTE  
25 RESIDENT.—The Secretary shall develop a

1 payment amount per FTE resident, with  
2 respect to DME payments, that is not his-  
3 torically based, but shall accurately reflect  
4 the resident stipends, clinical faculty sti-  
5 pends, administrative expenses, and pro-  
6 gram operation overhead involved. The  
7 Secretary shall develop such a formula  
8 based upon a national average of such pay-  
9 ments during the cost reporting period  
10 that ended in 1993.

11 “(ii) UPDATING TO THE FIRST COST  
12 REPORTING PERIOD.—The Secretary shall  
13 update the payment amount per FTE resi-  
14 dent determined under clause (i) by the  
15 percentage increase in the consumer price  
16 index during the 12-month cost reporting  
17 period described in such clause.

18 “(iii) AMOUNT FOR SUBSEQUENT  
19 COST REPORTING PERIODS.—For each cost  
20 reporting period, the approved payment  
21 amount per FTE resident shall be equal to  
22 the amount determined under this sub-  
23 paragraph for the previous cost reporting  
24 period updated, through the midpoint of  
25 the period, by projecting the estimated per-

1                   centage change in the consumer price  
 2                   index during the 12-month period ending  
 3                   at that midpoint, with appropriate adjust-  
 4                   ments to reflect previous under- or over-es-  
 5                   timations under this subparagraph in the  
 6                   projected percentage change in the  
 7                   consumer price index.

8                   “(B) HEALTH CARE TRAINING INSTITU-  
 9                   TION PAYMENT AMOUNT PER RESIDENT.—

10                   “(i) IN GENERAL.—The payment  
 11                   amount, for a health care training institu-  
 12                   tion’s cost reporting period shall be equal  
 13                   to the product of—

14                   “(I) the aggregate approved  
 15                   amount (as defined in clause (ii)) for  
 16                   that period; and

17                   “(II) the health care training in-  
 18                   stitution’s medicare patient load (as  
 19                   defined in clause (iii)) for that period.

20                   “(ii) AGGREGATE APPROVED  
 21                   AMOUNT.—As used in clause (i), the term  
 22                   ‘aggregate approved amount’ means, for a  
 23                   health care training institution cost report-  
 24                   ing period, the product of—



1 “(I) the payment amount per  
2 FTE resident amount (as determined  
3 under subparagraph (A)) for that pe-  
4 riod; and

5 “(II) the weighted average num-  
6 ber of FTE (as determined under sub-  
7 paragraph (C)) in the health care  
8 training institution’s approved medical  
9 residency training programs in that  
10 period.

11 “(iii) MEDICARE PATIENT LOAD.—As  
12 used in clause (i), the term ‘medicare pa-  
13 tient load’ means, with respect to a health  
14 care training consortium’s or a teaching  
15 hospital’s cost reporting period, the frac-  
16 tion of the total number of inpatient-bed-  
17 days (as established by the Secretary) dur-  
18 ing the period which are attributable to pa-  
19 tients with respect to whom payment may  
20 be under part A. For the purpose of this  
21 clause, for a health care training consor-  
22 tium, the fraction of the total number of  
23 inpatient-bed-days shall be calculated using  
24 the inpatient-bed-days of the teaching hos-

1                   pitals which are members of the consor-  
2                   tium.

3                   “(C) DETERMINATION OF FULL-TIME  
4                   EQUIVALENT RESIDENTS.—

5                   “(i) RULES.—The Secretary shall es-  
6                   tablish rules consistent with this subpara-  
7                   graph for the computation of the number  
8                   of FTE residents in an approved medical  
9                   residency training program.

10                  “(ii) ADJUSTMENT FOR PART-YEAR  
11                  OR PART-TIME RESIDENTS.—Such rules  
12                  shall take into account individuals who  
13                  serve as residents for only a portion of a  
14                  period with a hospital or simultaneously  
15                  with more than one hospital.

16                  “(iii) WEIGHTING FACTORS.—Subject  
17                  to clause (iv), such rules shall provide that,  
18                  in calculating the number of FTE resi-  
19                  dents in an approved residency program  
20                  for a resident who is in the resident’s ini-  
21                  tial residency period—

22                  “(I) with respect to each primary  
23                  care resident in a primary care train-  
24                  ing program approved by the Admin-  
25                  istrator of the Health Resources and

Services Administration, the weighting factor is 1.5;

“(II) with respect to each nonprimary care resident in a training program which is part of a health care training consortia, approved by the Administrator of the Health Resources and Services Administration, the weighting factor is 1.0; and

“(III) with respect to each nonprimary care resident in a training program that is not part of a health care training consortia approved by the Administrator of the Health Resources and Services Administration, the weighting factor shall be the ratio of the subspecialty total divided by the product of the payment amount per FTE resident and the total number of residents who do not train in programs approved under section 753 of the Public Health Service Act as a primary care training program or a health care training consortium.

1           The subspecialty total for purposes of  
2           subclause (III) shall be the sum deter-  
3           mined by subtracting the amount of DME  
4           payments that would be needed to provide  
5           reimbursements for residents who train in  
6           programs approved, under section 753 of  
7           the Public Health Service Act as a primary  
8           care training program or a health care  
9           training consortium from the amount of  
10          the DME subfund.

11           “(iv) FOREIGN MEDICAL GRADUATES  
12          REQUIRED TO PASS FMGEMS EXAMINA-  
13          TION.—Such rules shall provide that, in  
14          the case of an individual who is a foreign  
15          medical graduate, the individual shall not  
16          be counted as a resident, unless—

17                   “(I) the individual has passed the  
18                   FMGEMS examination; or

19                   “(II) the individual has pre-  
20                   viously received certification from, or  
21                   has previously passed the examination  
22                   of, the Educational Commission for  
23                   Foreign Medical Graduates.

24           “(v) COUNTING TIME SPENT IN OUT-  
25          PATIENT SETTINGS.—Such rules shall pro-



1           vide that only time spent in activities relat-  
2           ing to patient care shall be counted and  
3           that all the time so spent by a resident  
4           under an approved medical residency train-  
5           ing program shall be counted towards the  
6           determination of full-time equivalency,  
7           without regard to the setting in which the  
8           activities are performed.

9           “(D) ASSURANCES.—In disbursing DME  
10          payments from the Fund, the Secretary, shall  
11          ensure that following:

12               “(i) A teaching hospital receiving  
13          DME payments from the Fund for its resi-  
14          dents, other than those residents that are  
15          part of a health care training consortium,  
16          uses those funds to support the training of  
17          medical residents.

18               “(ii) A health care training consor-  
19          tium receiving DME payments may use  
20          such funds, at the sole discretion of such  
21          consortium, to support the training of  
22          medical students and medical residents to  
23          meet the training outcome requirements as  
24          described under section 753 of the Public  
25          Health Service Act.

1                   “(iii) Assurances are obtained from  
2                   the health care training consortia or teach-  
3                   ing hospitals receiving such DME pay-  
4                   ments that such entities will compensate  
5                   the appropriate primary care residents at  
6                   not less than an amount that is 20 percent  
7                   greater than the compensation paid to  
8                   other residents.

9                   “(E) COMPENSATION.—As used in sub-  
10                  paragraph (D)(iii), the term ‘compensation’  
11                  means the total of salary, benefits, debt forgive-  
12                  ness, and all other presentations provided to  
13                  residents, both monetary and material. Pay-  
14                  ments made to residents by a residency pro-  
15                  gram either prior to or following the actual pe-  
16                  riod of residency shall also be considered as  
17                  compensation under this section.

18                  “(4) DETERMINATION AS TO FUNDING OF PRO-  
19                  GRAMS.—The Secretary shall, with respect to  
20                  weighting factors for primary care training pro-  
21                  grams and health care training consortia under  
22                  paragraph (3), use only such weights for programs  
23                  or consortia approved by the Administrator of the  
24                  Health Resources and Services Administration under  
25                  section 753 of the Public Health Service Act.

1           “(5) DEFINITIONS.—As used in this subsection:

2           “(A) APPROVED MEDICAL RESIDENCY  
3           TRAINING PROGRAM.—The term ‘approved med-  
4           ical residency training program’ means a resi-  
5           dency or other postgraduate medical training  
6           program in which participation may be counted  
7           toward certification in a specialty or sub-  
8           specialty and includes formal postgraduate  
9           training programs in geriatric medicine ap-  
10          proved by the Secretary.

11          “(B) CONSUMER PRICE INDEX.—The term  
12          ‘consumer price index’ refers to the Consumer  
13          Price Index for All Urban Consumers (United  
14          States city average), as published by the Sec-  
15          retary of Commerce.

16          “(C) DIRECT MEDICAL EDUCATION PAY-  
17          MENTS; DME.—The term ‘direct medical edu-  
18          cation payments’ means payments to a health  
19          care training institution that sponsors a resi-  
20          dency program, to enable such institution to  
21          provide—

22                  “(i) resident and fellow stipends;

23                  “(ii) the salaries of clinical faculty;

24                  “(iii) administrative expenses; and

1                   “(iv) reimbursement for overhead ex-  
2                   penses incurred for residency and fellow-  
3                   ship physician training.

4                   “(D) FOREIGN MEDICAL GRADUATE.—The  
5                   term ‘foreign medical graduate’ means a resi-  
6                   dent who is not a graduate of—

7                   “(i) a school of medicine accredited by  
8                   the Liaison Committee on Medical Edu-  
9                   cation of the American Medical Colleges  
10                  (or approved by such Committee as meet-  
11                  ing the standards necessary for such ac-  
12                  creditation);

13                  “(ii) a school of osteopathy accredited  
14                  by the American Osteopathic Association,  
15                  or approved by such Association as meet-  
16                  ing the standards necessary for such ac-  
17                  creditation; or

18                  “(iii) a school of dentistry or podiatry  
19                  that is accredited (or meets the standards  
20                  for accreditation) by an organization recog-  
21                  nized by the Secretary for such purpose.

22                  “(E) FMGEMS EXAMINATION.—The term  
23                  ‘FMGEMS examination’ means parts I and II  
24                  of the Foreign Medical Graduate Examination



1 in the Medical Sciences recognized by the Sec-  
2 retary for this purpose.

3 “(F) GENERALISTS.—The term ‘general-  
4 ists’ means family physicians, general pediatri-  
5 cians, and general internists.

6 “(G) HEALTH CARE TRAINING CONSOR-  
7 TIUM.—

8 “(i) IN GENERAL.—The term ‘health  
9 care training consortium’ means a local,  
10 State, or regional association approved by  
11 the Administrator of the Health Resources  
12 and Services Administration under section  
13 753 of the Public Health Service Act, that  
14 includes at least one school of medicine,  
15 teaching hospital, and ambulatory training  
16 site, organized in a manner so that at least  
17 50 percent of the involved medical school’s  
18 or schools’ graduates become primary care  
19 providers during the year after such grad-  
20 uates complete their residency training.

21 “(ii) AMBULATORY TRAINING SITES.—  
22 As used in clause (i), the term ‘ambulatory  
23 training sites’ includes health maintenance  
24 organizations, community health centers  
25 and federally qualified health centers, mi-

1 grant health centers, ambulatory offices or  
2 other appropriate educational and teaching  
3 sites as determined by the Administrator  
4 of the Health Resources and Services Ad-  
5 ministration.

6 “(H) HEALTH CARE TRAINING INSTITU-  
7 TION.—The term ‘health care training institu-  
8 tion’ means a teaching hospital or a health care  
9 training consortium.

10 “(I) INDIRECT MEDICAL EDUCATION PAY-  
11 MENTS; IME.—The term ‘indirect medical edu-  
12 cation payments’ means payments to teaching  
13 hospitals to enable such hospitals to pay the ad-  
14 ditional operating costs associated with the  
15 training of medical residents under section  
16 1886(d)(5)(B). Such payments shall be referred  
17 to as ‘IME payments’.

18 “(J) INITIAL RESIDENCY PERIOD.—(i) The  
19 term ‘initial residency period’ means the period  
20 of board eligibility. Except as provided in clause  
21 (ii), in no case shall the initial period of resi-  
22 dency exceed an aggregate period of formal  
23 training of more than five years for any individ-  
24 ual. The initial residency period shall be deter-  
25 mined, with respect to a resident, as of the time

1 the resident enters the residency training pro-  
2 gram.

3 “(ii) Notwithstanding clause (i), a period,  
4 of not more than two years, during which an in-  
5 dividual is in a geriatric residency or fellowship  
6 program that meets such criteria as the Sec-  
7 retary may establish, shall be treated as part of  
8 the initial residency period, but shall not be  
9 counted against any limitation on the initial  
10 residency period.

11 “(K) PERIOD OF BOARD ELIGIBILITY.—

12 “(i) GENERAL RULE.—Subject to  
13 clauses (ii) and (iii), the term ‘period of  
14 board eligibility’ means, for a resident, the  
15 minimum number of years of formal train-  
16 ing necessary to satisfy the requirements  
17 for initial board eligibility in the particular  
18 specialty for which the resident is training.

19 “(ii) APPLICATION OF DIRECTORY.—  
20 Except as provided in clause (iii), the pe-  
21 riod of board eligibility shall be such period  
22 specified in the Directory of Residency  
23 Training Programs published by the Ac-  
24 creditation Council on Graduate Medical  
25 Education.

1                   “(iii) CHANGES IN PERIOD OF BOARD  
2                   ELIGIBILITY.—If the Accreditation Council  
3                   on Graduate Medical Education, in its Di-  
4                   rectory of Residency Training Programs—

5                   “(I) increases the minimum num-  
6                   ber of years of formal training nec-  
7                   essary to satisfy the requirements for  
8                   a specialty, above the period specified  
9                   in its 1993–1994 Directory, the Sec-  
10                  retary may increase the period of  
11                  board eligibility for that specialty, but  
12                  not to exceed the period of board eligi-  
13                  bility specified in that later Directory;  
14                  or

15                  “(II) decreases the minimum  
16                  number of years of formal training  
17                  necessary to satisfy the requirements  
18                  for a specialty, below the period speci-  
19                  fied in its 1993–1994 Directory, the  
20                  Secretary may decrease the period of  
21                  board eligibility for that specialty, but  
22                  not below the period of board eligi-  
23                  bility specified in that later Directory.



1                   “(L) PRIMARY CARE.—The term ‘primary  
2                   care’ means medical care that is characterized  
3                   by the following elements:

4                   “(i) First contact care for persons  
5                   with undifferentiated health care concerns.

6                   “(ii) Person-centered, comprehensive  
7                   care that is not organ or problem specific.

8                   “(iii) An orientation toward the longi-  
9                   tudinal care of the patient.

10                  “(iv) Responsibility for coordination of  
11                  other health services as they relate to the  
12                  patient’s care.

13                  “(M) PRIMARY CARE COMPETENCIES.—  
14                  The term ‘primary care competencies’ means—

15                  “(i) health promotion and disease pre-  
16                  vention;

17                  “(ii) the assessment or evaluation of  
18                  common symptoms and physical signs;

19                  “(iii) the management of common  
20                  acute and chronic medical conditions, in-  
21                  cluding behavioral conditions; or

22                  “(iv) the identification and appro-  
23                  priate referral for other needed health care  
24                  services.

1           “(N) PRIMARY CARE PROVIDERS.—The  
 2           term ‘primary care providers’ means generalists  
 3           and obstetrician/gynecologists, nurse practition-  
 4           ers, and physician assistants who utilize the pri-  
 5           mary care competencies to deliver primary care.

6           “(O) PRIMARY CARE RESIDENTS.—The  
 7           term ‘primary care residents’ means medical  
 8           residents in primary care training programs.

9           “(P) PRIMARY CARE TRAINING PRO-  
 10          GRAMS.—The term ‘primary care training pro-  
 11          grams’ means—

12                   “(i) all family practice residency pro-  
 13                   grams; and

14                   “(ii) residency programs for primary  
 15                   care providers that are approved by the  
 16                   Administrator of the Health Resources and  
 17                   Services Administration in accordance with  
 18                   section 753 of the Public Health Service  
 19                   Act.”.

20          (b) IME PAYMENTS.—Subparagraph (B) of section  
 21 1886(d)(5) of the Social Security Act (42 U.S.C.  
 22 1395ww(d)(5)(B)) is amended—

23           (1) in the matter preceding clause (i), by insert-  
 24          ing “(IME payments under subsection (h)), from the

1       IME subfund established in subsection (h),” after  
2       “medical education,”; and

3           (2) by adding at the end thereof the following  
4       new clause:

5           “(v) In determining the additional payment  
6       amount, the Secretary shall reduce the amount of  
7       IME payments to teaching hospitals for a hospital  
8       cost reporting period by an appropriate across-the-  
9       board percentage, in order to maintain IME subfund  
10      budget neutrality if—

11           “(I) such payments for resident provided  
12      services are projected to increase during the  
13      hospital cost reporting period; or

14           “(II) the amount of such subfund is re-  
15      duced in accordance with subsection  
16      (h)(1)(C).”.

17   **SEC. 103. APPROVAL OF PRIMARY CARE AND HEALTH CARE**  
18           **CONSORTIUM PROGRAMS FOR GME PAY-**  
19           **MENTS.**

20       Part C of title VII of the Public Health Service Act  
21   (42 U.S.C. 293j et seq.) is amended by adding at the end  
22   thereof the following new section:

1 **"SEC. 753. APPROVAL OF PRIMARY CARE AND HEALTH**  
2 **CARE CONSORTIUM PROGRAMS FOR GME**  
3 **PAYMENTS.**

4 **"(a) IN GENERAL.—**

5 **"(1) REQUIREMENTS.—**The Secretary, acting  
6 through the Administrator of the Health Resources  
7 and Services Administration, shall, for purposes of  
8 section 1886(h) of the Social Security Act—

9 **"(A)** establish criteria, based upon pro-  
10 gram curricula, that shall be utilized to deter-  
11 mine which residencies in pediatrics, internal  
12 medicine, and obstetrics and gynecology shall be  
13 approved as primary care training programs;

14 **"(B)** approve primary care training pro-  
15 grams, using the criteria established in para-  
16 graph (2); and

17 **"(C)** approve health care training consor-  
18 tium in accordance with paragraph (2).

19 **"(2) TRANSITION.—**

20 **"(A) IN GENERAL.—**During the period  
21 ending on June 30, 1997, a health care training  
22 consortium shall be approved if the consortium  
23 demonstrates that not less than 50 percent of  
24 the filled residency program positions of such  
25 consortium are in primary care training pro-  
26 grams.



1           “(B) 1997–2001.—During the period be-  
2           ginning July 1, 1997, through June 30, 2001,  
3           a health care training consortium shall be ap-  
4           proved if the consortium demonstrates that not  
5           less than 50 percent of the filled residency pro-  
6           gram positions of such consortium are in pri-  
7           mary care training programs and not less than  
8           50 percent of the medical school graduates from  
9           such health care training consortium with re-  
10          spect to the year involved enter primary care  
11          training programs.

12          “(C) POST 2001.—For each annual period  
13          beginning on July 1, 2001, health care training  
14          consortium shall be approved if such consortium  
15          demonstrates that not less than 50 percent of  
16          the 1997 graduates, and each subsequent class  
17          of graduates, from the consortium medical  
18          school or medical schools have become primary  
19          care providers.

20          “(b) DEFINITIONS.—As used in this section:

21               “(1) GENERALISTS.—The term ‘generalists’  
22               means family physicians, general pediatricians, and  
23               general internists.

24               “(2) HEALTH CARE TRAINING CONSORTIUM.—

1                   “(A) IN GENERAL.—The term ‘health care  
2                   training consortium’ means a local, State, or re-  
3                   gional association approved by the Adminis-  
4                   trator of the Health Resources and Services Ad-  
5                   ministration that includes at least one school of  
6                   medicine, teaching hospital, and ambulatory  
7                   training site, organized in a manner so that at  
8                   least 50 percent of the involved medical school’s  
9                   or schools’ graduates become primary care pro-  
10                  viders during the year after such graduates  
11                  complete their residency training.

12                  “(B) AMBULATORY TRAINING SITES.—As  
13                  used in subparagraph (A), the term ‘ambula-  
14                  tory training sites’ includes health maintenance  
15                  organizations, community health centers and  
16                  federally qualified health centers, migrant  
17                  health centers, ambulatory offices or other ap-  
18                  propriate educational and teaching sites as de-  
19                  termined by the Administrator of the Health  
20                  Resources and Services Administration.

21                  “(3) PRIMARY CARE.—The term ‘primary care’  
22                  means medical care that is characterized by the fol-  
23                  lowing elements:

24                  “(A) First contact care for persons with  
25                  undifferentiated health care concerns.

1           “(B) Person-centered, comprehensive care  
2           that is not organ or problem specific.

3           “(C) An orientation toward the longitu-  
4           dinal care of the patient.

5           “(D) Responsibility for coordination of  
6           other health services as they relate to the pa-  
7           tient’s care.

8           “(4) PRIMARY CARE COMPETENCIES.—The  
9           term ‘primary care competencies’ means—

10           “(A) health promotion and disease preven-  
11           tion;

12           “(B) the assessment or evaluation of com-  
13           mon symptoms and physical signs;

14           “(C) the management of common acute  
15           and chronic medical conditions, including be-  
16           havioral conditions; or

17           “(D) the identification and appropriate re-  
18           ferral for other needed health care services.

19           “(5) PRIMARY CARE PROVIDERS.—The term  
20           ‘primary care providers’ means generalists and ob-  
21           stetrician/gynecologists, nurse practitioners, and  
22           physician assistants who utilize the primary care  
23           competencies to deliver primary care.

1           “(6) PRIMARY CARE RESIDENTS.—The term  
2           ‘primary care residents’ means medical residents in  
3           primary care training programs.

4           “(7) PRIMARY CARE TRAINING PROGRAMS.—  
5           The term ‘primary care training programs’ means—

6           “(A) all family practice residency pro-  
7           grams; and

8           “(B) residency programs for primary care  
9           providers that are approved by the Adminis-  
10          trator of the Health Resources and Service Ad-  
11          ministrators in accordance with this section.”.

12 **SEC. 104. HEALTH PROFESSIONS FUNDING FOR NURSE**  
13 **PRACTITIONER AND PHYSICIAN ASSISTANTS**  
14 **PROGRAMS.**

15       (a) PHYSICIAN ASSISTANTS.—Section 750(d)(1) of  
16 the Public Health Service Act (42 U.S.C. 293n(d)(1)) is  
17 amended by striking “for each of the fiscal years 1993  
18 through 1995” and inserting “for fiscal year 1993,  
19 \$11,250,000 for fiscal year 1994, and such sums as may  
20 be necessary for each of the fiscal years 1995 and 1996”.

21       (b) NURSE PRACTITIONERS.—Section 822(d) of such  
22 Act (42 U.S.C. 296m(d)) is amended by striking “for each  
23 of the fiscal years 1993 and 1994” and inserting “for fis-  
24 cal year 1993, \$25,000,000 for fiscal year 1994, and such



1 sums as may be necessary for each of the fiscal years 1995  
2 and 1996”.

3 **SEC. 105. PRIMARY CARE DEMONSTRATION GRANTS.**

4 Part B of title III of the Public Health Service Act  
5 (42 U.S.C. 243 et seq.) is amended by adding at the end  
6 thereof the following new section:

7 **“SEC. 320A. PRIMARY CARE DEMONSTRATION GRANTS.**

8 “(a) AUTHORIZATION.—The Secretary, acting  
9 through the Health Resources and Services Administra-  
10 tion, shall award grants to States or nonprofit entities to  
11 fund not less than 10 demonstration projects to enable  
12 such States or entities to evaluate one or more of the  
13 following:

14 “(1) State mechanisms, including changes in  
15 the scope of practice laws, to enhance the delivery of  
16 primary care by nurse practitioners or physician as-  
17 sistants.

18 “(2) The feasibility of, and the most effective  
19 means to train subspecialists to deliver primary care  
20 as primary care providers.

21 “(3) State mechanisms to increase the supply  
22 or improve the distribution of primary care provid-  
23 ers.

24 “(b) APPLICATION.—To be eligible to receive a grant  
25 under this section a State or nonprofit entity shall prepare

1 and submit to the Secretary an application at such time,  
2 in such manner and containing such information as the  
3 Secretary may require.

4 “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
5 are authorized to be appropriated to carry out this section,  
6 \$9,000,000 for fiscal year 1994, and such sums as may  
7 be necessary for each of the fiscal years 1995 through  
8 1997.”.

9 **SEC. 106. HEALTH WORKFORCE OVERSIGHT.**

10 (a) IN GENERAL.—Section 301(a) of the Health Pro-  
11 fessions Education Extension Amendments of 1992 (42  
12 U.S.C. 295k note) is amended—

13 (1) in paragraph (1), by striking “and” at the  
14 end thereof;

15 (2) in paragraph (2), by striking the period and  
16 inserting “; and”; and

17 (3) by adding at the end thereof the following  
18 new paragraph:

19 “(3) maintain data bases concerning the supply  
20 and distribution of, and postgraduate training pro-  
21 grams for, physicians and other primary care provid-  
22 ers in the United States in order to make periodic  
23 recommendations with respect to subparagraphs (D)  
24 and (E) of paragraph (1).”.

1 (b) FINAL REPORT.—Section 301(j) of such Act is  
2 amended—

3 (1) by striking “FINAL” in the subsection head-  
4 ing; and

5 (2) by striking “final”.

6 (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
7 301(k) of such Act is amended to read as follows:

8 “(k) AUTHORIZATION OF APPROPRIATIONS.—There  
9 are authorized to be appropriated to maintain the data  
10 bases required under subsection (a)(3), and for other pur-  
11 poses authorized by this section, \$8 000,000 for fiscal year  
12 1994, and such sums as may be necessary for each of the  
13 fiscal years 1995 through 1997.”.

## 14 **TITLE II—COMMUNITY HEALTH** 15 **SERVICES EXPANSION**

### 16 **SEC. 201. ESTABLISHMENT OF GRANT PROGRAM.**

17 Subpart I of part D of title III of the Public Health  
18 Service Act (42 U.S.C. 254b et seq.) is amended by adding  
19 at the end thereof the following new section:

### 20 **“SEC. 330A. COMMUNITY-BASED PRIMARY HEALTH CARE** 21 **GRANT PROGRAM.**

22 “(a) ESTABLISHMENT.—The Secretary shall estab-  
23 lish and administer a program to provide allotments to  
24 States to enable such States to provide grants for the cre-  
25 ation or enhancement of community-based primary health

1 care entities that provide services to low-income or medi-  
2 cally underserved populations.

3 “(b) ALLOTMENTS TO STATES.—

4 “(1) IN GENERAL.—From the amount available  
5 for allotment under subsection (h) for a fiscal year,  
6 the Secretary shall allot to each State an amount  
7 equal to the product of the grant share of the State  
8 (as determined under paragraph (2)) multiplied by  
9 such amount available.

10 “(2) GRANT SHARE.—

11 “(A) IN GENERAL.—For purposes of para-  
12 graph (1), the grant share of a State shall be  
13 the product of the need-adjusted population of  
14 the State (as determined under subparagraph  
15 (B)) multiplied by the Federal matching per-  
16 centage of the State (as determined under sub-  
17 paragraph (C)), expressed as a percentage of  
18 the sum of the products of such factors for all  
19 States.

20 “(B) NEED-ADJUSTED POPULATION.—

21 “(i) IN GENERAL.—For purposes of  
22 subparagraph (A), the need-adjusted popu-  
23 lation of a State shall be the product of  
24 the total population of the State (as esti-  
25 mated by the Secretary of Commerce) mul-



1                    multiplied by the need index of the State (as  
2                    determined under clause (ii)).

3                    “(ii) NEED INDEX.—For purposes of  
4                    clause (i), the need index of a State shall  
5                    be the ratio of—

6                    “(I) the weighted sum of the geo-  
7                    graphic percentage of the State (as  
8                    determined under clause (iii)), the  
9                    poverty percentage of the State (as  
10                  determined under clause (iv)), and the  
11                  multiple grant percentage of the State  
12                  (as determined under clause (v)); to

13                  “(II) the general population per-  
14                  centage of the State (as determined  
15                  under clause (vi)).

16                  “(iii) GEOGRAPHIC PERCENTAGE.—

17                  “(I) IN GENERAL.—For purposes  
18                  of clause (ii)(I), the geographic per-  
19                  centage of the State shall be the esti-  
20                  mated population of the State that is  
21                  residing in nonurbanized areas (as de-  
22                  termined under subclause (II)) ex-  
23                  pressed as a percentage of the total  
24                  nonurbanized population of all States.

1                               “(II)   NONURBANIZED   POPU-  
2                               LATION.—For purposes of subclause  
3                               (I), the estimated population of the  
4                               State that is residing in nonurbanized  
5                               areas shall be one minus the urban-  
6                               ized population of the State (as deter-  
7                               mined using the most recent decennial  
8                               census), expressed as a percentage of  
9                               the total population of the State (as  
10                              determined using the most recent de-  
11                             cennial census), multiplied by the cur-  
12                            rent estimated population of the  
13                            State.

14                           “(iv)   POVERTY   PERCENTAGE.—For  
15                           purposes of clause (ii)(I), the poverty per-  
16                           centage of the State shall be the estimated  
17                           number of people residing in the State  
18                           with incomes below 200 percent of the in-  
19                           come official poverty line (as determined  
20                           by the Office of Management and Budget)  
21                           expressed as a percentage of the total  
22                           number of such people residing in all  
23                           States.

24                           “(v)   MULTIPLE   GRANT   PERCENT-  
25                           AGE.—For purposes of clause (ii)(I), the

1 multiple grant percentage of the State  
2 shall be the amount of Federal funding re-  
3 ceived by the State under grants awarded  
4 under sections 329, 330, and 340, ex-  
5 pressed as a percentage of the total  
6 amounts received under such grants by all  
7 States. With respect to a State, such per-  
8 centage shall not exceed twice the general  
9 population percentage of the State under  
10 clause (vi) or be less than one-half of the  
11 States general population percentage.

12 “(vi) GENERAL POPULATION PER-  
13 CENTAGE.—For purposes of clause (ii)(II),  
14 the general population percentage of the  
15 State shall be the total population of the  
16 State (as determined by the Secretary of  
17 Commerce) expressed as a percentage of  
18 the total population of all States.

19 “(C) FEDERAL MATCHING PERCENTAGE.—

20 “(i) IN GENERAL.—For purposes of  
21 subparagraph (A), the Federal matching  
22 percentage of the State shall be equal to  
23 one, less the State matching percentage (as  
24 determined under clause (ii)).

1                   “(ii) STATE MATCHING PERCENT-  
2                   AGE.—For purposes of clause (i), the State  
3                   matching percentage of the State shall be  
4                   0.25 multiplied by the ratio of the total  
5                   taxable resource percentage (as determined  
6                   under clause (iii)) to the need-adjusted  
7                   population of the State (as determined  
8                   under subparagraph (B)).

9                   “(iii) TOTAL TAXABLE RESOURCE  
10                  PERCENTAGE.—For purposes of clause (ii),  
11                  the total taxable resources percentage of  
12                  the State shall be the total taxable re-  
13                  sources of a State (as determined by the  
14                  Secretary of the Treasury) expressed as a  
15                  percentage of the sum of the total taxable  
16                  resources of all States.

17                  “(3) ANNUAL ESTIMATES.—

18                  “(A) IN GENERAL.—If the Secretary of  
19                  Commerce does not produce the annual esti-  
20                  mates required under paragraph (2)(B)(iv),  
21                  such estimates shall be determined by multiply-  
22                  ing the percentage of the population of the  
23                  State that is below 200 percent of the income  
24                  official poverty line as determined using the  
25                  most recent decennial census by the most recent



1 estimate of the total population of the State.  
2 Except as provided in subparagraph (B), the  
3 calculations required under this subparagraph  
4 shall be made based on the most recent 3-year  
5 average of the total taxable resources of individ-  
6 uals within the State.

7 “(B) DISTRICT OF COLUMBIA.—Notwith-  
8 standing subparagraph (A), the calculations re-  
9 quired under such subparagraph with respect to  
10 the District of Columbia shall be based on the  
11 most recent 3-year average of the personal in-  
12 come of individuals residing within the District  
13 as a percentage of the personal income for all  
14 individuals residing within the District, as de-  
15 termined by the Secretary of Commerce.

16 “(4) MATCHING REQUIREMENT.—A State that  
17 receives an allotment under this section shall make  
18 available State resources (either directly or indi-  
19 rectly) to carry out this section in an amount that  
20 shall equal the State matching percentage for the  
21 State (as determined under paragraph (2)(C)(ii)) di-  
22 vided by the Federal matching percentage (as deter-  
23 mined under paragraph (2)(C)).

24 “(c) APPLICATION.—

1           “(1) IN GENERAL.—To be eligible to receive an  
2 allotment under this section, a State shall prepare  
3 and submit an application to the Secretary at such  
4 time, in such manner, and containing such informa-  
5 tion as the Secretary may by regulation require.

6           “(2) ASSURANCES.—A State application sub-  
7 mitted under paragraph (1) shall contain an assur-  
8 ance that—

9                 “(A) the State will use amounts received  
10 under its allotment consistent with the require-  
11 ments of this section; and

12                 “(B) the State will provide, from non-Fed-  
13 eral sources, the amounts required under sub-  
14 section (b)(4).

15           “(d) USE OF FUNDS.—

16                 “(1) IN GENERAL.—The State shall use  
17 amounts received under this section to award grants  
18 to eligible public and nonprofit private entities, or  
19 consortia of such entities, within the State to enable  
20 such entities or consortia to provide services of the  
21 type described in paragraph (2) of section 329(h) to  
22 low-income or medically underserved populations.

23                 “(2) ELIGIBILITY.—To be eligible to receive a  
24 grant under paragraph (1), an entity or consortium  
25 shall—

1           “(A) prepare and submit to the admin-  
2           istering entity of the State, an application at  
3           such time, in such manner, and containing such  
4           information as such administering entity may  
5           require, including a plan for the provision of  
6           services of the type described in paragraph (3);

7           “(B) provide assurances that services will  
8           be provided under the grant at fee rates estab-  
9           lished or determined in accordance with section  
10          330(e)(3)(F); and

11          “(C) provide assurances that in the case of  
12          services provided to individuals with health in-  
13          surance, such insurance shall be used as the  
14          primary source of payment for such services.

15          “(3) SERVICES.—The services to be provided  
16          under a grant awarded under paragraph (1) shall  
17          include—

18               “(A) one or more of the types of primary  
19               health services described in section 330(b)(1);

20               “(B) one or more of the types of supple-  
21               mental health services described in section  
22               330(b)(2); and

23               “(C) any other services determined appro-  
24               priate by the administering entity of the State.

1           “(4) TARGET POPULATIONS.—Entities or con-  
2           sortia receiving grants under paragraph (1) shall, in  
3           providing the services described in paragraph (3),  
4           substantially target populations of low-income or  
5           medically underserved populations within the State  
6           who reside in medically underserved or health pro-  
7           fessional shortage areas, areas certified as under-  
8           served under the rural health clinic program, or  
9           other areas determined appropriate by the admin-  
10          istering entity of the State, within the State.

11          “(5) PRIORITY.—In awarding grants under  
12          paragraph (1), the State shall—

13               “(A) give priority to entities or consortia  
14               that can demonstrate through the plan submit-  
15               ted under paragraph (2) that—

16                   “(i) the services provided under the  
17                   grant will expand the availability of pri-  
18                   mary care services to the maximum num-  
19                   ber of low-income or medically underserved  
20                   populations who have no access to such  
21                   care on the date of the grant award; and

22                   “(ii) the delivery of services under the  
23                   grant will be cost-effective; and



1           “(B) ensure that an equitable distribution  
2           of funds is achieved among urban and rural en-  
3           tities or consortia.

4           “(e) REPORTS AND AUDITS.—Each State shall pre-  
5   pare and submit to the Secretary annual reports concern-  
6   ing the State’s activities under this section which shall be  
7   in such form and contain such information as the Sec-  
8   retary determines appropriate. Each such State shall es-  
9   tablish fiscal control and fund accounting procedures as  
10  may be necessary to assure that amounts received under  
11  this section are being disbursed properly and are ac-  
12  counted for, and include the results of audits conducted  
13  under such procedures in the reports submitted under this  
14  subsection.

15          “(f) PAYMENTS.—

16               “(1) ENTITLEMENT.—Each State for which an  
17   application has been approved by the Secretary  
18   under this section shall be entitled to payments  
19   under this section for each fiscal year in an amount  
20   not to exceed the State’s allotment under subsection  
21   (b) to be expended by the State in accordance with  
22   the terms of the application for the fiscal year for  
23   which the allotment is to be made.

24               “(2) METHOD OF PAYMENTS.—The Secretary  
25   may make payments to a State in installments, and

1 in advance or by way of reimbursement, with nec-  
2 essary adjustments on account of overpayments or  
3 underpayments, as the Secretary may determine.

4 “(3) STATE SPENDING OF PAYMENTS.—Pay-  
5 ments to a State from the allotment under sub-  
6 section (b) for any fiscal year must be expended by  
7 the State in that fiscal year or in the succeeding fis-  
8 cal year.

9 “(g) DEFINITION.—As used in this section, the term  
10 ‘administering entity of the State’ means the agency or  
11 official designated by the chief executive officer of the  
12 State to administer the amounts provided to the State  
13 under this section.

14 “(h) FUNDING.—Notwithstanding any other provi-  
15 sion of law, the Secretary shall use 50 percent of the  
16 amounts that the Secretary is required to utilize under  
17 section 330B(h) in each fiscal year to carry out this  
18 section.”.

19 **SEC. 202. PROGRAM TO PROVIDE FOR EXPANSION OF FED-**  
20 **ERALLY QUALIFIED HEALTH CENTERS.**

21 (a) IN GENERAL.—Subpart I of part D of title III  
22 of the Public Health Service Act (42 U.S.C. 254b et seq.)  
23 (as amended by section 201) is further amended by adding  
24 at the end thereof the following new section:

1   **“SEC. 330B. PROGRAM TO PROVIDE FOR EXPANSION OF**  
2                   **FEDERALLY QUALIFIED HEALTH CENTERS.**

3       “(a) ESTABLISHMENT OF HEALTH SERVICES AC-  
4   CESS PROGRAM.—From amounts appropriated under this  
5   section, the Secretary shall, acting through the Bureau of  
6   Health Care Delivery Assistance, award grants under this  
7   section to federally qualified health centers (hereafter re-  
8   ferred to in this section as ‘FQHCs’) and other entities  
9   and organizations submitting applications under this sec-  
10   tion (as described in subsection (c)) for the purpose of  
11   providing access to services for medically underserved pop-  
12   ulations (as defined in section 330(b)(3)) or in high im-  
13   pact areas (as defined in section 329(a)(5)) not currently  
14   being served by a FQHC.

15       “(b) ELIGIBILITY FOR GRANTS.—

16           “(1) IN GENERAL.—The Secretary shall award  
17   grants under this section to entities or organizations  
18   described in this paragraph and paragraph (2) which  
19   have submitted a proposal to the Secretary to ex-  
20   pand such entities or organizations operations (in-  
21   cluding expansions to new sites (as determined nec-  
22   essary by the Secretary)) to serve medically under-  
23   served populations or high impact areas not cur-  
24   rently served by a FQHC and which—

25           “(A) have as of the date of enactment of  
26   this section, been certified by the Secretary as

1 a FQHC under section 1905(l)(2)(B) of the So-  
2 cial Security Act;

3 “(B) have submitted applications to the  
4 Secretary to qualify as FQHCs under section  
5 1905(l)(2)(B) of the Social Security Act; or

6 “(C) have submitted a plan to the Sec-  
7 retary which provides that the entity or organi-  
8 zation will meet the requirements to qualify as  
9 a FQHC when operational.

10 “(2) NON-FQHC ENTITIES.—

11 “(A) ELIGIBILITY.—The Secretary shall  
12 also make grants under this section to any pub-  
13 lic or private nonprofit agency, or any health  
14 care entity or organization which—

15 “(i) meets the requirements necessary  
16 to qualify as a FQHC, except the require-  
17 ment that such agency, entity, or organiza-  
18 tion has a consumer majority governing  
19 board,

20 “(ii) has submitted a proposal to the  
21 Secretary to provide those services pro-  
22 vided by a FQHC as defined in section  
23 1905(l)(2)(B) of the Social Security Act,  
24 and



1                   “(iii) is designed to promote access to  
2                   primary care services or to reduce reliance  
3                   on hospital emergency rooms or other high  
4                   cost providers of primary health care serv-  
5                   ices,

6                   *Provided*, That the proposal described in clause  
7                   (ii) is developed by the agency, entity, or orga-  
8                   nization (or such agencies, entities, or organiza-  
9                   tions acting in a consortium in a community)  
10                  with the review and approval of the Governor of  
11                  the State in which such agency, entity, or orga-  
12                  nization is located.

13                  “(B) LIMITATION.—The Secretary shall  
14                  provide in making grants to entities or organi-  
15                  zations described in this paragraph that not  
16                  more than 10 percent of the funds provided for  
17                  grants under this section shall be made avail-  
18                  able for grants to such entities or organizations.

19                  “(c) APPLICATION REQUIREMENTS.—

20                  “(1) IN GENERAL.—In order to be eligible to  
21                  receive a grant under this section, a FQHC or other  
22                  entity or organization must submit an application in  
23                  such form and at such time as the Secretary shall  
24                  prescribe and which meets the requirements of this  
25                  subsection.

1       “(2) REQUIREMENTS.—An application submit-  
2       ted under this section must provide—

3               “(A)(i) for a schedule of fees or payments  
4               for the provision of the services provided by the  
5               entity or organization designed to cover its rea-  
6               sonable costs of operations; and

7               “(ii) for a corresponding schedule of dis-  
8               counts to be applied to such fees or payments,  
9               based upon the patient’s ability to pay (deter-  
10              mined by using a sliding scale formula based on  
11              the income of the patient);

12              “(B) assurances that the entity or organi-  
13              zation provides services to persons who are eli-  
14              gible for benefits under title XVIII of the Social  
15              Security Act, for medical assistance under title  
16              XIX of such Act, or for assistance for medical  
17              expenses under any other public assistance pro-  
18              gram or private health insurance program; and

19              “(C) assurances that the entity or organi-  
20              zation has made and will continue to make  
21              every reasonable effort to collect reimbursement  
22              for services—

23                      “(i) from persons eligible for assist-  
24                      ance under any of the programs described  
25                      in subparagraph (B); and

1                   “(ii) from patients not entitled to ben-  
2                   efits under any such programs.

3           “(d) LIMITATIONS ON USE OF FUNDS.—

4           “(1) IN GENERAL.—From the amounts award-  
5           ed to a FQHC or other entity or organization under  
6           this section, funds may be used for purposes of plan-  
7           ning but may only be expended for the costs of—

8                   “(A) assessing the needs of the populations  
9                   or proposed areas to be served;

10                   “(B) preparing a description of how the  
11                   needs identified will be met; and

12                   “(C) development of an implementation  
13                   plan that addresses—

14                   “(i) recruitment and training of per-  
15                   sonnel; and

16                   “(ii) activities necessary to achieve  
17                   operational status in order to meet FQHC  
18                   requirements under 1905(l)(2)(B) of the  
19                   Social Security Act.

20           “(2) RECRUITING, TRAINING, AND COMPENSA-  
21           TION OF STAFF.—From the amounts awarded to an  
22           entity or organization under this section, funds may  
23           be used for the purposes of paying for the costs of  
24           recruiting, training, and compensating staff (clinical  
25           and associated administrative personnel (to the ex-

1     tent such costs are not already reimbursed under  
2     title XIX of the Social Security Act or any other  
3     State or Federal program)) to the extent necessary  
4     to allow the entity or organization to operate at new  
5     or expanded existing sites.

6           “(3) FACILITIES AND EQUIPMENT.—From the  
7     amounts awarded to an entity or organization under  
8     this section, funds may be expended for the purposes  
9     of acquiring facilities and equipment but only for the  
10    costs of—

11           “(A) construction of new buildings (to the  
12    extent that new construction is found to be the  
13    most cost-efficient approach by the Secretary);

14           “(B) acquiring, expanding, or modernizing  
15    existing facilities;

16           “(C) purchasing essential (as determined  
17    by the Secretary) equipment; and

18           “(D) amortization of principal and pay-  
19    ment of interest on loans obtained for purposes  
20    of site construction, acquisition, modernization,  
21    or expansion, as well as necessary equipment.

22           “(4) SERVICES.—From the amounts awarded  
23    to an entity or organization under this section, funds  
24    may be expended for the payment of services but  
25    only for the costs of—



1           “(A) providing or arranging for the provi-  
2           sion of all services through the entity or organi-  
3           zation necessary to qualify such entity or orga-  
4           nization as a FQHC under section  
5           1905(l)(2)(B) of the Social Security Act;

6           “(B) providing or arranging for any other  
7           service that a FQHC may provide and be reim-  
8           bursed for under title XIX of the Social Secu-  
9           rity Act; and

10           “(C) providing any unreimbursed costs of  
11           providing services as described in section 330(a)  
12           to patients.

13       “(e) PRIORITIES IN THE AWARDING OF GRANTS.—

14           “(1) CERTIFIED FQHCs.—The Secretary shall  
15           give priority in awarding grants under this section  
16           to entities and organizations which have, as of the  
17           date of enactment of this section, been certified as  
18           a FQHC under section 1905(l)(2)(B) of the Social  
19           Security Act and which have submitted a proposal to  
20           the Secretary to expand their operations (including  
21           expansion to new sites) to serve medically  
22           underserved populations for high impact areas not  
23           currently served by a FQHC. The Secretary shall  
24           give first priority in awarding grants under this sec-  
25           tion to those FQHCs or other entities or organiza-

1        tions which propose to serve populations with the  
2        highest degree of unmet need, and which can dem-  
3        onstrate the ability to expand their operations in the  
4        most efficient manner.

5        “(2) QUALIFIED FQHCs.—The Secretary shall  
6        give second priority in awarding grants to entities  
7        and organizations which have submitted applications  
8        to the Secretary which demonstrate that the entities  
9        or organizations will qualify as FQHCs under sec-  
10       tion 1905(l)(2)(B) of the Social Security Act before  
11       they provide or arrange for the provision of services  
12       supported by funds awarded under this section, and  
13       which are serving or proposing to serve medically  
14       underserved populations or high impact areas which  
15       are not currently served (or proposed to be served)  
16       by a FQHC.

17       “(3) EXPANDED SERVICES AND PROJECTS.—  
18       The Secretary shall give third priority in awarding  
19       grants in subsequent years to those FQHCs or other  
20       entities or organizations which have provided for ex-  
21       panded services and projects and are able to dem-  
22       onstrate that such entities or organizations will  
23       incur significant unreimbursed costs in providing  
24       such expanded services.

1       “(f) RETURN OF FUNDS TO SECRETARY FOR COSTS  
 2 REIMBURSED FROM OTHER SOURCES.—To the extent  
 3 that a FQHC or other entity or organization receiving  
 4 funds under this section is reimbursed from another  
 5 source for the provision of services to an individual, and  
 6 does not use such increased reimbursement to expand  
 7 services furnished, to expand areas served, to compensate  
 8 for costs of unreimbursed services provided to patients, or  
 9 to promote recruitment, training, or retention of person-  
 10 nel, such excess revenues shall be returned to the Sec-  
 11 retary.

12       “(g) TERMINATION OF GRANTS.—

13               “(1) FAILURE TO MEET FQHC REQUIRE-  
 14 MENTS.—

15               “(A) IN GENERAL.—With respect to any  
 16 entity or organization that is receiving funds  
 17 awarded under this section and which subse-  
 18 quently fails to meet the requirements to qual-  
 19 ify as a FQHC under section 1905(l)(2)(B) of  
 20 the Social Security Act or is an entity or orga-  
 21 nization that is not required to meet the re-  
 22 quirements to qualify as a FQHC under section  
 23 1905(l)(2)(B) of the Social Security Act but  
 24 fails to meet the requirements of this section,  
 25 the Secretary shall terminate the award of

1 funds under this section to such entity or orga-  
2 nization.

3 “(B) NOTICE.—Prior to any termination  
4 of funds under this section to an entity or orga-  
5 nization, the entity or organization shall be en-  
6 titled to 60 days’ prior notice of termination  
7 and, as provided by the Secretary in regula-  
8 tions, an opportunity to correct any deficiencies  
9 in order to allow the entity or organization to  
10 continue to receive funds under this section.

11 “(2) REQUIREMENTS.—Upon any termination  
12 of funding under this section, the Secretary may (to  
13 the extent practicable)—

14 “(A) sell any property (including equip-  
15 ment) acquired or constructed by the entity or  
16 organization using funds made available under  
17 this section or transfer such property to an-  
18 other FQHC, except that the Secretary shall re-  
19 imburse any costs which were incurred by the  
20 entity or organization in acquiring or construct-  
21 ing such property (including equipment) which  
22 were not supported by grants under this sec-  
23 tion; and



1                   “(B) recoup any funds provided to an en-  
 2                   tity or organization terminated under this sec-  
 3                   tion.

4           “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
 5 are authorized to be appropriated to carry out this section  
 6 \$600,000,000 for each of the fiscal years 1994 through  
 7 1998.”.

8           (b) EFFECTIVE DATE.—The amendments made by  
 9 subsection (a) shall become effective with respect to serv-  
 10 ices furnished by a federally qualified health center or  
 11 other qualifying entity or organization described in this  
 12 section beginning on or after the date of enactment of this  
 13 Act.

## 14   **TITLE III—EXPANDING THE SUP-** 15       **PLY OF HEALTH PROFES-** 16       **SIONALS IN RURAL AREAS**

### 17   **SEC. 301. EXPANSION OF NATIONAL HEALTH SERVICE** 18       **CORPS.**

19       Section 338H(b) of the Public Health Service Act (42  
 20 U.S.C. 254q(b)) is amended—

21           (1) in paragraph (1), by striking “and such  
 22       sums” and all that follows through the end thereof  
 23       and inserting “\$120,000,000 for each of the fiscal  
 24       years 1993 through 2000.”; and

25           (2) in paragraph (2)—

1 (A) by redesignating subparagraphs (A)  
 2 and (B) as subparagraphs (B) and (C), respec-  
 3 tively; and

4 (B) by inserting before subparagraph (B)  
 5 (as so redesignated) the following new subpara-  
 6 graph:

7 “(A) IN GENERAL.—Of the amount appro-  
 8 priated under paragraph (1) for each fiscal  
 9 year, the Secretary shall utilize 25 percent of  
 10 such amount to carry out section 338A and 75  
 11 percent of such amount to carry out section  
 12 338B.”.

13 **SEC. 302. TAX INCENTIVES FOR PRACTICE IN RURAL**  
 14 **AREAS.**

15 (a) **NONREFUNDABLE CREDIT FOR CERTAIN PRI-**  
 16 **MARY HEALTH SERVICES PROVIDERS.—**

17 (1) **IN GENERAL.**—Subpart A of part IV of sub-  
 18 chapter A of chapter 1 of the Internal Revenue Code  
 19 of 1986 (relating to nonrefundable personal credits)  
 20 is amended by inserting after section 25 the follow-  
 21 ing new section:

22 **“SEC. 25A. PRIMARY HEALTH SERVICES PROVIDERS.**

23 “(a) **ALLOWANCE OF CREDIT.**—In the case of a  
 24 qualified primary health services provider, there is allowed  
 25 as a credit against the tax imposed by this chapter for

1 any taxable year in a mandatory service period an amount  
2 equal to the product of—

3 “(1) the lesser of—

4 “(A) the number of months of such period  
5 occurring in such taxable year, or

6 “(B) 36 months, reduced by the number of  
7 months taken into account under this para-  
8 graph with respect to such provider for all pre-  
9 ceding taxable years (whether or not in the  
10 same mandatory service period), multiplied by

11 “(2) \$1,000 (\$500 in the case of a qualified  
12 primary health services provider who is a physician  
13 assistant or a nurse practitioner).

14 “(b) QUALIFIED PRIMARY HEALTH SERVICES PRO-  
15 VIDER.—For purposes of this section, the term ‘qualified  
16 primary health services provider’ means any physician,  
17 physician assistant, or nurse practitioner who for any  
18 month during a mandatory service period is certified by  
19 the Bureau to be a primary health services provider who—

20 “(1) is providing primary health services—

21 “(A) full time, and

22 “(B) to individuals at least 80 percent of  
23 whom reside in a rural health professional  
24 shortage area,

1           “(2) is not receiving during such year a scholar-  
2           ship under the National Health Service Corps Schol-  
3           arship Program or a loan repayment under the Na-  
4           tional Health Service Corps Loan Repayment Pro-  
5           gram,

6           “(3) is not fulfilling service obligations under  
7           such Programs, and

8           “(4) has not defaulted on such obligations.

9           “(c) MANDATORY SERVICE PERIOD.—For purposes  
10          of this section, the term ‘mandatory service period’ means  
11          the period of 60 consecutive calendar months beginning  
12          with the first month the taxpayer is a qualified primary  
13          health services provider.

14          “(d) DEFINITIONS AND SPECIAL RULES.—For pur-  
15          poses of this section—

16               “(1) BUREAU.—The term ‘Bureau’ means the  
17               Bureau of Health Care Delivery and Assistance,  
18               Health Resources and Services Administration of the  
19               United States Public Health Service.

20               “(2) PHYSICIAN.—The term ‘physician’ has the  
21               meaning given to such term by section 1861(r) of  
22               the Social Security Act.

23               “(3) PHYSICIAN ASSISTANT; NURSE PRACTI-  
24               TIONER.—The terms ‘physician assistant’ and ‘nurse



1 practitioner' have the meanings given to such terms  
2 by section 1861(aa)(3) of the Social Security Act.

3 “(4) PRIMARY HEALTH SERVICES PROVIDER.—

4 The term ‘primary health services provider’ means a  
5 provider of primary health services (as defined in  
6 section 330(b)(1) of the Public Health Service Act).

7 “(5) RURAL HEALTH PROFESSIONAL SHORTAGE  
8 AREA.—The term ‘rural health professional shortage  
9 area’ means—

10 “(A) a rural health professional shortage  
11 area (as defined in section 332(a)(1)(A) of the  
12 Public Health Service Act) in a rural area (as  
13 determined under section 1886(d)(2)(D) of the  
14 Social Security Act), or

15 “(B) an area which is determined by the  
16 Secretary of Health and Human Services as  
17 equivalent to an area described in subparagraph  
18 (A) and which is designated by the Bureau of  
19 the Census as not urbanized.

20 “(C) a community that is certified as un-  
21 derserved by the Secretary for purposes of par-  
22 ticipation in the rural health clinic program  
23 under title XVIII of the Social Security Act.

24 “(e) RECAPTURE OF CREDIT.—

1           “(1) IN GENERAL.—If, during any taxable year,  
2           there is a recapture event, then the tax of the tax-  
3           payer under this chapter for such taxable year shall  
4           be increased by an amount equal to the product of—

5                   “(A) the applicable percentage, and  
6                   “(B) the aggregate unrecaptured credits  
7           allowed to such taxpayer under this section for  
8           all prior taxable years.

9           “(2) APPLICABLE RECAPTURE PERCENTAGE.—  
10           “(A) IN GENERAL.—For purposes of this  
11           subsection, the applicable recapture percentage  
12           shall be determined from the following table:

<b>“If the recapture event occurs during:</b>	<b>The applicable recap- ture percentage is:</b>
Months 1–24 .....	100
Months 25–36 .....	75
Months 37–48 .....	50
Months 49–60 .....	25
Months 61 and thereafter .....	0.

13           “(B) TIMING.—For purposes of subpara-  
14           graph (A), month 1 shall begin on the first day  
15           of the mandatory service period.

16           “(3) RECAPTURE EVENT DEFINED.—

17           “(A) IN GENERAL.—For purposes of this  
18           subsection, the term ‘recapture event’ means  
19           the failure of the taxpayer to be a qualified pri-  
20           mary health services provider for any month  
21           during any mandatory service period.

1           “(B) CESSATION OF DESIGNATION.—The  
 2           cessation of the designation of any area as a  
 3           rural health professional shortage area after the  
 4           beginning of the mandatory service period for  
 5           any taxpayer shall not constitute a recapture  
 6           event.

7           “(C) SECRETARIAL WAIVER.—The Sec-  
 8           retary may waive any recapture event caused by  
 9           extraordinary circumstances.

10          “(4) NO CREDITS AGAINST TAX.—Any increase  
 11          in tax under this subsection shall not be treated as  
 12          a tax imposed by this chapter for purposes of deter-  
 13          mining the amount of any credit under subpart A,  
 14          B, or D of this part.”.

15          (2) CLERICAL AMENDMENT.—The table of sec-  
 16          tions for subpart A of part IV of subchapter A of  
 17          chapter 1 of such Code is amended by inserting  
 18          after the item relating to section 25 the following  
 19          new item:

            “Sec. 25A. Primary health services providers.”.

20          (3) EFFECTIVE DATE.—The amendments made  
 21          by this subsection shall apply to taxable years begin-  
 22          ning after the date of the enactment of this Act.

23          (b) NATIONAL HEALTH SERVICE CORPS LOAN RE-  
 24          PAYMENTS EXCLUDED FROM GROSS INCOME.—

1           (1) IN GENERAL.—Part III of subchapter B of  
 2       chapter 1 of the Internal Revenue Code of 1986 (re-  
 3       lating to items specifically excluded from gross in-  
 4       come) is amended by redesignating section 136 as  
 5       section 137 and by inserting after section 135 the  
 6       following new section:

7       **“SEC. 136. NATIONAL HEALTH SERVICE CORPS LOAN RE-**  
 8                 **PAYMENTS.**

9           “(a) GENERAL RULE.—Gross income shall not in-  
 10      clude any qualified loan repayment.

11          “(b) QUALIFIED LOAN REPAYMENT.—For purposes  
 12      of this section, the term ‘qualified loan repayment’ means  
 13      any payment made on behalf of the taxpayer by the Na-  
 14      tional Health Service Corps Loan Repayment Program  
 15      under section 338B(g) of the Public Health Service Act.”.

16          (2) CONFORMING AMENDMENT.—Paragraph (3)  
 17      of section 338B(g) of the Public Health Service Act  
 18      is amended by striking “Federal, State, or local”  
 19      and inserting “State or local”.

20          (3) CLERICAL AMENDMENT.—The table of sec-  
 21      tions for part III of subchapter B of chapter 1 of  
 22      the Internal Revenue Code of 1986 is amended by  
 23      striking the item relating to section 136 and insert-  
 24      ing the following:

“Sec. 136. National Health Service Corps loan repayments.  
 “Sec. 137. Cross references to other Acts.”.



1           (4) EFFECTIVE DATE.—The amendments made  
2       by this subsection shall apply to payments made  
3       under section 338B(g) of the Public Health Service  
4       Act after the date of the enactment of this Act.

5       (c) EXPENSING OF MEDICAL EQUIPMENT.—

6           (1) IN GENERAL.—Section 179 of the Internal  
7       Revenue Code of 1986 (relating to election to ex-  
8       pense certain depreciable business assets) is  
9       amended—

10           (A) by striking paragraph (1) of subsection  
11       (b) and inserting the following:

12       “(1) DOLLAR LIMITATION.—

13           “(A) GENERAL RULE.—The aggregate cost  
14       which may be taken into account under sub-  
15       section (a) for any taxable year shall not exceed  
16       \$10,000.

17           “(B) RURAL HEALTH CARE PROPERTY.—

18       In the case of rural health care property, the  
19       aggregate cost which may be taken into account  
20       under subsection (a) for any taxable year shall  
21       not exceed \$25,000, reduced by the amount  
22       otherwise taken into account under subsection  
23       (a) for such year.”; and

24           (B) by adding at the end of subsection (d)  
25       the following new paragraph:

1           “(11) RURAL HEALTH CARE PROPERTY.—For  
2       purposes of this section, the term ‘rural health care  
3       property’ means section 179 property used by a phy-  
4       sician (as defined in section 1861(r) of the Social  
5       Security Act) in the active conduct of such physi-  
6       cian’s full-time trade or business of providing pri-  
7       mary health services (as defined in section 330(b)(1)  
8       of the Public Health Service Act) in a rural health  
9       professional shortage area (as defined in section  
10      25A(d)(5)).”.

11           (2) EFFECTIVE DATE.—The amendments made  
12      by this subsection shall apply to property placed in  
13      service in taxable years beginning after the date of  
14      enactment of this Act.

15      (d) DEDUCTION FOR STUDENT LOAN PAYMENTS BY  
16      MEDICAL PROFESSIONALS PRACTICING IN RURAL  
17      AREAS.—

18           (1) INTEREST ON STUDENT LOANS NOT TREAT-  
19      ED AS PERSONAL INTEREST.—Section 163(h)(2) of  
20      the Internal Revenue Code of 1986 (defining per-  
21      sonal interest) is amended by striking “and” at the  
22      end of subparagraph (D), by striking the period at  
23      the end of subparagraph (E) and inserting “, and”,  
24      and by adding at the end thereof the following new  
25      subparagraph:

1           “(F) any qualified medical education interest  
2           (within the meaning of subsection (k)).”.

3           (2) QUALIFIED MEDICAL EDUCATION INTEREST  
4           DEFINED.—Section 163 of such Code (relating to in-  
5           terest expenses) is amended by redesignating sub-  
6           section (k) as subsection (l) and by inserting after  
7           subsection (j) the following new subsection:

8           “(k) QUALIFIED MEDICAL EDUCATION INTEREST OF  
9           MEDICAL PROFESSIONALS PRACTICING IN RURAL  
10          AREAS.—

11           “(1) IN GENERAL.—For purposes of subsection  
12          (h)(2)(F), the term ‘qualified medical education in-  
13          terest’ means an amount which bears the same ratio  
14          to the interest paid on qualified educational loans  
15          during the taxable year by an individual performing  
16          services under a qualified rural medical practice  
17          agreement as—

18           “(A) the number of months during the tax-  
19          able year during which such services were per-  
20          formed, bears to

21           “(B) the number of months in the taxable  
22          year.

23           “(2) DOLLAR LIMITATION.—The aggregate  
24          amount which may be treated as qualified medical

1 education interest for any taxable year with respect  
2 to any individual shall not exceed \$5,000.

3 “(3) QUALIFIED RURAL MEDICAL PRACTICE  
4 AGREEMENT.—For purposes of this subsection—

5 “(A) IN GENERAL.—The term ‘qualified  
6 rural medical practice agreement’ means a writ-  
7 ten agreement between an individual and an ap-  
8 plicable rural community under which the indi-  
9 vidual agrees—

10 “(i) in the case of a medical doctor,  
11 upon completion of the individual’s resi-  
12 dency (or internship if no residency is re-  
13 quired), or

14 “(ii) in the case of a registered nurse,  
15 nurse practitioner, or physician’s assistant,  
16 upon completion of the education to which  
17 the qualified education loan relates,

18 to perform full-time services as such a medical  
19 professional in the applicable rural community  
20 for a period of 24 consecutive months. An indi-  
21 vidual and an applicable rural community may  
22 elect to have the agreement apply for 36 con-  
23 secutive months rather than 24 months.

24 “(B) SPECIAL RULE FOR COMPUTING PE-  
25 RIODS.—An individual shall be treated as meet-



ing the 24 or 36 consecutive month requirement under subparagraph (A) if, during each 12-consecutive month period within either such period, the individual performs full-time services as a medical doctor, registered nurse, nurse practitioner, or physician's assistant, whichever applies, in the applicable rural community during 9 of the months in such 12-consecutive month period. For purposes of this subsection, an individual meeting the requirements of the preceding sentence shall be treated as performing services during the entire 12-month period.

“(C) APPLICABLE RURAL COMMUNITY.—

The term ‘applicable rural community’ means—

“(i) any political subdivision of a State which—

“(I) has a population of 5,000 or less, and

“(II) has a per capita income of \$15,000 or less, or

“(ii) an Indian reservation which has a per capita income of \$15,000 or less.

“(4) QUALIFIED EDUCATIONAL LOAN.—The

term ‘qualified educational loan’ means any indebtedness to pay qualified tuition and related expenses

1 (within the meaning of section 117(b)) and reason-  
2 able living expenses—

3 “(A) which are paid or incurred—

4 “(i) as a candidate for a degree as a  
5 medical doctor at an educational institu-  
6 tion described in section 170(b)(1)(A)(ii),  
7 or

8 “(ii) in connection with courses of in-  
9 struction at such an institution necessary  
10 for certification as a registered nurse,  
11 nurse practitioner, or physician’s assistant,  
12 and

13 “(B) which are paid or incurred within a  
14 reasonable time before or after such indebted-  
15 ness is incurred.

16 “(5) RECAPTURE.—If an individual fails to  
17 carry out a qualified rural medical practice agree-  
18 ment during any taxable year, then—

19 “(A) no deduction with respect to such  
20 agreement shall be allowable by reason of sub-  
21 section (h)(2)(F) for such taxable year and any  
22 subsequent taxable year, and

23 “(B) there shall be included in gross in-  
24 come for such taxable year the aggregate  
25 amount of the deductions allowable under this

1           section (by reason of subsection (h)(2)(F)) for  
2           all preceding taxable years.

3           “(6) DEFINITIONS.—For purposes of this sub-  
4           section, the terms ‘registered nurse’, ‘nurse practi-  
5           tioner’, and ‘physician’s assistant’ have the meaning  
6           given such terms by section 1861 of the Social Secu-  
7           rity Act.”.

8           (3) DEDUCTION ALLOWED IN COMPUTING AD-  
9           JUSTED GROSS INCOME.—Section 62(a) of such  
10          Code is amended by inserting after paragraph (13)  
11          the following new paragraph:

12          “(14) INTEREST ON STUDENT LOANS OF RURAL  
13          HEALTH PROFESSIONALS.—The deduction allowable  
14          by reason of section 163(h)(2)(F) (relating to stu-  
15          dent loan payments of medical professionals practic-  
16          ing in rural areas).”.

17          (4) EFFECTIVE DATE.—The amendments made  
18          by this subsection shall apply to taxable years begin-  
19          ning after the date of the enactment of this  
20          Act.applies, in the applicable rural community dur-  
21          ing 9 of the months in such 12-consecutive month  
22          period. For purposes of this subsection, an individ-  
23          ual meeting the requirements of the preceding sen-  
24          tence shall be treated as performing services during  
25          the entire 12-month period.

1                   “(C) APPLICABLE RURAL COMMUNITY.—

2                   The term ‘applicable rural community’ means—

3                   “(i) any political subdivision of a

4                   State which—

5                   “(I) has a population of 5,000 or

6                   less, and

7                   “(II) has a per capita income of

8                   \$15,000 or less, or

9                   “(ii) an Indian reservation which has

10                  a per capita income of \$15,000 or less.

11                  “(4) QUALIFIED EDUCATIONAL LOAN.—The

12                  term ‘qualified educational loan’ means any indebt-

13                  edness to pay qualified tuition and related expenses

14                  (within the meaning of section 117(b)) and reason-

15                  able living expenses—

16                  “(A) which are paid or incurred—

17                  “(i) as a candidate for a degree as a

18                  medical doctor at an educational institu-

19                  tion described in section 170(b)(1)(A)(ii),

20                  or

21                  “(ii) in connection with courses of in-

22                  struction at such an institution necessary

23                  for certification as a registered nurse,

24                  nurse practitioner, or physician’s assistant,

25                  and



1           “(B) which are paid or incurred within a  
2           reasonable time before or after such indebted-  
3           ness is incurred.

4           “(5) RECAPTURE.—If an individual fails to  
5           carry out a qualified rural medical practice agree-  
6           ment during any taxable year, then—

7           “(A) no deduction with respect to such  
8           agreement shall be allowable by reason of sub-  
9           section (h)(2)(F) for such taxable year and any  
10          subsequent taxable year, and

11          “(B) there shall be included in gross in-  
12          come for such taxable year the aggregate  
13          amount of the deductions allowable under this  
14          section (by reason of subsection (h)(2)(F)) for  
15          all preceding taxable years.

16          “(6) DEFINITIONS.—For purposes of this sub-  
17          section, the terms ‘registered nurse’, ‘nurse practi-  
18          tioner’, and ‘physician’s assistant’ have the meaning  
19          given such terms by section 1861 of the Social Secu-  
20          rity Act.”.

21          (3) DEDUCTION ALLOWED IN COMPUTING AD-  
22          JUSTED GROSS INCOME.—Section 62(a) of such  
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2       HEALTH PROFESSIONALS.—The deduction allowable  
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4       dent loan payments of medical professionals practic-  
5       ing in rural areas).”.

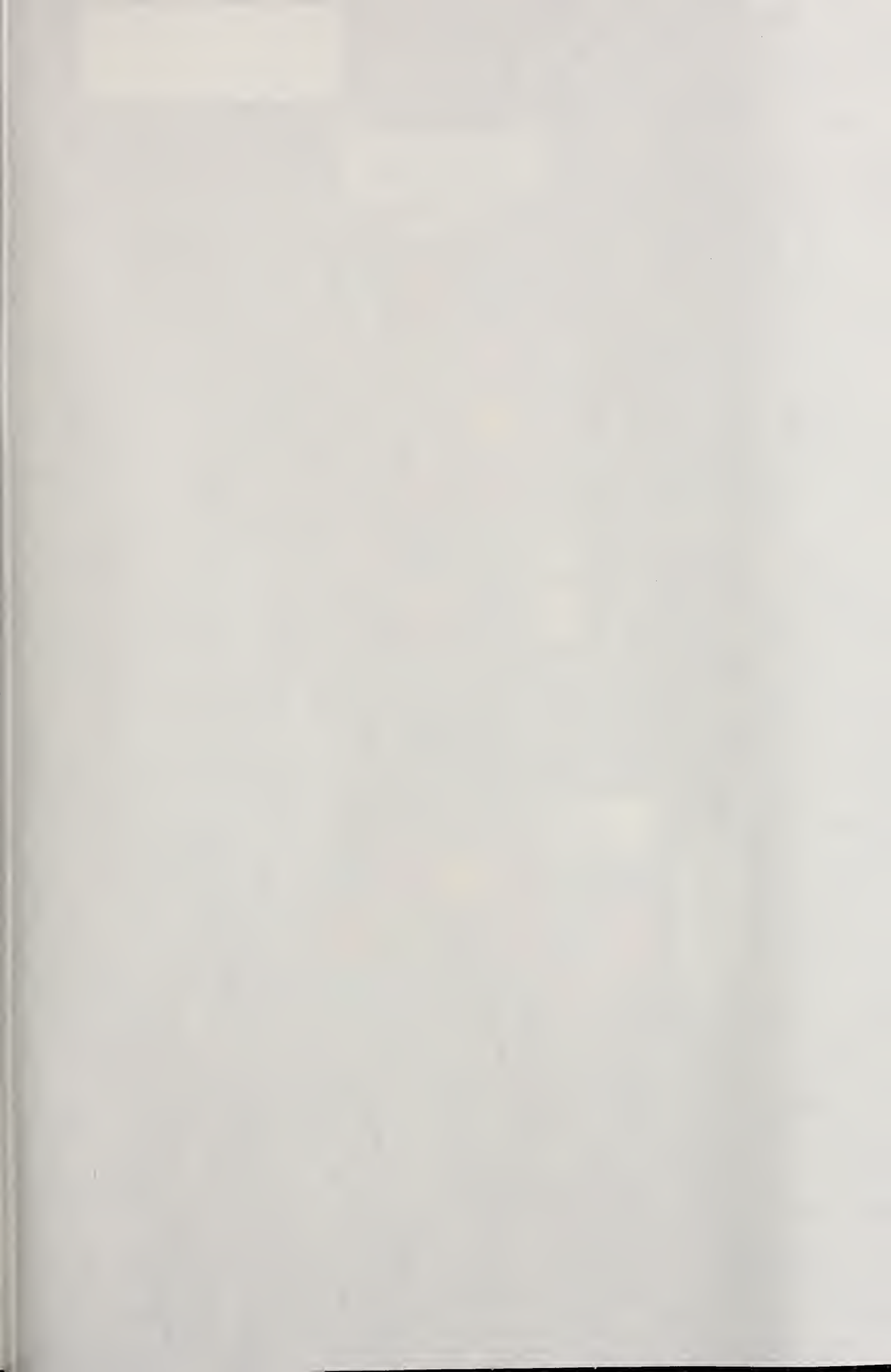
6           (4) EFFECTIVE DATE.—The amendments made  
7       by this subsection shall apply to taxable years begin-  
8       ning after the date of the enactment of this Act.

9       **TITLE IV—MISCELLANEOUS**  
10       **PROVISIONS**

11   **SEC. 401. EFFECTIVE DATE.**

12       Unless specifically provided otherwise, this Act and  
13       the amendments made by this Act shall become effective  
14       on the date of enactment of this Act.

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